

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### ASSISTANCE LISTING 93.498 PROVIDER RELIEF FUND

#### I. PROGRAM OBJECTIVES

The PRF is administered by the Health Resources and Services Administration (HRSA) and supports eligible health care providers in the battle against the COVID-19 pandemic. PRF provides relief funds to eligible providers of health care services and support for health care-related expenses or lost revenues attributable to coronavirus. PRF recipients must only use payments for eligible expenses including services rendered, and lost revenues during the period of availability, as outlined in the table below. Providers must use a consistent basis of accounting to determine expenses. PRF recipients may use payments for eligible expenses incurred prior to receipt of those payments (i.e., pre-award costs) dating back to January 1, 2020, so long as they are to prevent, prepare for, and respond to coronavirus.

	<b>Payment Received Period (Payments Exceeding \$10,000 in Aggregate Received)</b>	<b>Deadline to Use Funds</b>	<b>PRF Portal Reporting Time Period</b>
Period 1	April 10, 2020 to June 30, 2020	June 30, 2021	July 1, 2021 to September 30, 2021
Period 2	July 1, 2020 to December 31, 2020	December 31, 2021	January 1, 2022 to March 31, 2022
Period 3	January 1, 2021 to June 30, 2021	June 30, 2022	July 1, 2022 to September 30, 2022
Period 4	July 1, 2021 to December 31, 2021	December 31, 2022	January 1, 2023 to March 31, 2023

#### II. PROGRAM PROCEDURES

The PRF includes the following components and may include additional components established after the date of this Supplement:

For the first phase of the General Distributions, money was distributed proportionate to providers' share of Medicare fee-for-service reimbursements in 2019. A portion of providers were automatically sent an advance payment based off the revenue data they submit in CMS cost reports. Providers without adequate cost report data on file needed to submit their revenue information to the General Distribution Portal for additional funds.

For the second and third phases of the General Distribution, Medicaid, Children's Health Insurance Program (CHIP), dental, assisted living, and behavioral health providers were eligible to apply for funds, along with Medicare providers paid under Phase 1 who qualified to receive additional funds.

Funding for high-impact areas was distributed to hospitals in areas that were particularly impacted by the COVID-19 outbreak based on submission of the hospital's: Tax Identification Number, National Provider Identifier, total number of Intensive Care Unit beds as of April 10, 2020 and June 10, 2020, and total number of admissions with a positive diagnosis for COVID-19 from January 1, 2020 to April 10, 2020 and January 1, 2020 to June 10, 2020.

Funding for rural providers and Indian Health Service/Tribal facilities was distributed on the basis of operating expenses.

Funding for safety net hospitals was based on Centers for Medicare & Medicaid Services (CMS) cost report data.

Funding for children’s hospitals was based on patient service revenue.

Funding for skilled nursing facilities and nursing homes was primarily based on the number of certified beds in the facility, and for the Nursing Home Infection Control Quality Incentive Program payments, data submission to the Centers for Disease Control and Prevention’s (CDC) National Healthcare Safety Network (NHSN) Long-term Care Facility Component COVID-19 Module.

Most payments were sent out to providers without application, with requirement for recipients to accept the terms and conditions through an online portal or return funds. Recipients were required to either accept the terms and conditions or return the funds. The Assistance Listing numbers were not provided at time of payments or included in initial terms and conditions.

### **Source of Governing Requirements**

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Pub. L. No. 116-136, 134 Stat. 563)

Paycheck Protection Program and Health Care Enhancement Act (PPHCA) (Pub. L. No. 116-139, 134 Stat. 622)

Coronavirus Relief and Response Supplemental Appropriations Act (CRRSA) (Pub. L. No. 116-260)

Under the definition of Federal financial assistance PRF is considered other financial assistance. Per the applicability table in 45 CFR section 75.101(b)(1), other financial assistance is not subject to the post federal award or cost principles requirements in 45 CFR Part 75, subparts C, D and E, respectively, with the exception that 45 CFR section 75.303 (Internal Controls) and sections 75.351 through 75.353 (Subrecipient Monitoring and Management) are applicable.

However, under the terms and conditions of the award, PRF is subject to 45 CFR section 75.302 (Financial management and standards for financial management systems) and 45 CFR sections 75.361 through 75.365 (Record Retention and Access).

### **Availability of Other Program Information**

Provider Relief Fund Reporting Portal

<https://prfreporting.hrsa.gov/s/>

The following HHS.gov webpages provide additional information about the Provider Relief Fund (PRF):

#### CARES Act Provider Relief Fund

<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/index.html>

#### CARES Act Provider Relief Fund General Information

<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/general-information/index.html>

#### CARES Act Provider Relief Fund: For Providers, which includes copies of terms and conditions.

<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/for-providers/index.html>

#### CARES Act Provider Relief Fund Frequently Asked Questions

<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/faqs/index.html>

The following HHS.gov webpages provide the applicable terms and conditions:

#### General Distributions

<https://www.hhs.gov/sites/default/files/terms-and-conditions-provider-relief-30-b.pdf>

<https://www.hhs.gov/sites/default/files/terms-and-conditions-provider-relief-20-b.pdf>

<https://www.hhs.gov/sites/default/files/terms-and-conditions-phase-2-general-distribution-relief-fund.pdf>

<https://www.hhs.gov/sites/default/files/terms-and-conditions-phase-3-general-distribution-relief-fund.pdf>

#### COVID-19 High Impact Area Distributions

<https://www.hhs.gov/sites/default/files/terms-and-conditions-high-impact-relief-fund.pdf>

#### Skilled Nursing Facility Distribution

<https://www.hhs.gov/sites/default/files/terms-and-conditions-skilled-nursing-facility-relief-fund.pdf>

#### Skilled Nursing Facility and Nursing Home Infection Control Distributions

<https://www.hhs.gov/sites/default/files/provider-relief-fund-nf-infection-control-payment-terms-and-conditions.pdf>

#### Safety Net Hospital and Children's Hospital Distributions

<https://www.hhs.gov/sites/default/files/terms-and-conditions-safety-net-relief-fund.pdf>

#### Indian Health Service/Tribal Distribution

<https://www.hhs.gov/sites/default/files/terms-and-conditions-indian-health-service-relief-fund.pdf>

#### Rural Distributions

<https://www.hhs.gov/sites/default/files/terms-and-conditions-rural-relief-fund.pdf>

### III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment/Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	N	N	N	N	N	N	Y	N	N

#### A. Activities Allowed or Unallowed

1. *Activities Allowed (All distributions except Skilled Nursing Facility Infection Control Distribution)*

*Law (Pub. L. No. 116-136, 134 Stat. 563 and Pub. L. No. 116-139, 134 Stat. 622 and 623)*

To prevent, prepare for, and respond to coronavirus, domestically or internationally, for necessary expenses to reimburse, through grants or other mechanisms, eligible health care providers for health care related expenses or lost revenues that are attributable to coronavirus. (**Note:** Auditors are not expected to test the funding reported as lost revenues to determine if it was expended only for federally defined allowable activities.)

That funds appropriated under this paragraph in this Act shall be available for building or construction of temporary structures, leasing of properties, medical supplies and equipment, including personal protective equipment and testing

supplies, increased workforce and trainings, emergency operation centers, retrofitting facilities, and surge capacity.

Payment means a pre-payment, prospective payment, or retrospective payment.

*Terms and Conditions*

- a. The recipient certifies that the payment will only be used to prevent, prepare for, and respond to coronavirus, and that the payment shall reimburse the recipient only for health care related expenses or lost revenues that are attributable to coronavirus.
- b. The recipient certifies that retaining the payment for at least 90 days without contacting HHS regarding remittance of those funds, is deemed to have accepted the Terms and Conditions.
- c. The recipient must provide or have provided after January 31, 2020, diagnoses, testing, or care for individuals with possible or actual cases of COVID-19. The Department of Health and Human Services (HHS) broadly views every patient as a possible case of COVID-19.

2. *Activities Allowed (Skilled Nursing Facility Infection Control Distribution)*

*Terms and Conditions*

Funds may only be used to reimburse the recipient for costs associated with the following items and services (“Infection Control Expenses”):

- a. Costs associated with administering COVID-19 testing, which means an in vitro diagnostic test defined in section 809.3 of title 21, *Code of Federal Regulations* (or successor regulations) for the detection of SARS-CoV-2 or the diagnosis of the virus that causes COVID-19, and the administration of such a test, that:
  - Is approved, cleared, or authorized under section 510(k), 513, 515, or 564 of the Federal Food, Drug, and Cosmetic Act (21 USC 360(k), 360c, 360e, 360bbb-3);
  - The developer has requested, or intends to request, emergency use authorization under section 564 of the Federal Food, Drug, and Cosmetic Act (21 USC 360bbb-3), unless and until the emergency use authorization request under such section 564 has been denied or the developer of such test does not submit a request under such section within a reasonable timeframe;
  - Is developed in and authorized by a state that has notified the secretary of HHS of its intention to review tests intended to diagnose COVID-19; or

- Other test that the secretary determines appropriate in guidance.
  - b. Reporting COVID-19 test results to local, state, or federal governments.
  - c. Hiring staff, whether employees or independent contractors, to provide patient care or administrative support.
  - d. Expenses incurred to improve infection control, including activities such as implementing infection control “mentorship” programs with subject matter experts or changes made to physical facilities.
  - e. Providing additional services to residents, such as technology that permits residents to connect with their families if the families are not able to visit in person.
  - f. The recipient must provide or have provided after January 31, 2020, diagnoses, testing, or care for individuals with possible or actual cases of COVID-19.
3. *Activities Unallowed* (All distributions)

*Law (Pub. L. No. 116-136, 134 Stat. 563 and Pub. L. No. 116-139, 134 Stat. 622)*

That these funds may not be used to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse.

*Terms and Conditions*

Payments may not be used to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse.

**B. Allowable Costs/Cost Principles**

While 45 CFR 75 Subpart E – Cost Principles do not apply to the PRF, charges to the PRF must be necessary, reasonable, accorded consistent treatment, and conform to the limitations and exclusions of the terms and conditions of the award. The PRF Frequently Asked Questions referenced under Availability of Other Information above provides additional guidance and examples (<https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/faqs/index.html>).

**L. Reporting**

**1. Financial Reporting**

- a. *SF-270, Request for Advance or Reimbursement* – Not Applicable
- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable

c. *SF-425, Federal Financial Report* – Not Applicable

## 2. Performance Reporting

Not Applicable

## 3. Special Reporting

### *PRF Report*

Provider Relief Fund Reporting Portal (A Public Health Emergency Declaration-PRA Waiver Notice was issued January 14, 2021, applicable to the financial information collected by HRSA from eligible healthcare providers (<https://aspe.hhs.gov/public-health-emergency-declaration-pra-waivers>)).

The PRF reporting portal was launched on July 1, 2021 (<https://prfreporting.hrsa.gov/s/>) refer to the table in the Program Objective section for reporting time period(s). Auditors are expected to test this special reporting for fiscal years ending on or after June 30, 2021. Since the PRF amounts to be reported on a recipient's Schedule of Expenditures of Federal Awards (SEFA) are based on the PRF report (see the Other Information section below), and since the PRF report is to be tested as part of the Reporting type of compliance requirement, auditors should consider delaying the commencement of the compliance audit of the PRF program until recipients have completed the PRF report.

*Key Line Items* – The following line items contain critical information (items are not numbered in report):

1. Nursing Home Infection Control Expenses for Payments Received During Payment Period for Payment Received Period
  - a. Total Nursing Home Infection Control Expenses – Cell that contains the aggregated total sum
2. Other Provider Relief Fund Expenses for Payments Received During Payment Period for Payment Received Period
  - a. Total Other Provider Relief Fund Expenses – Cell that contains the aggregated total sum
3. Calculation of Lost Revenues Attributable to Coronavirus
  - a. 2019 Actuals
    - (1) Total Column for Total Revenue/Net Charges from Patient Care (2019 Actuals) – Each cell at the bottom of each

quarter (Total revenue/Net Charges from Patient Care) and for each year, 2019, 2020 and 2021

- b. 2020 Budgeted
  - (1) Total Column for Total Revenue/Net Charges from Patient Care (Budgeted) – Each cell at the bottom of each quarter (Total revenue/Net Charges from Patient Care) and for each year, 2020 and 2021
  - (2) Total Column for Total Revenue/Net Charges from Patient Care (Actuals) – Each cell by payer and the cell at the bottom of each quarter (Total revenue/Net Charges from Patient Care) and for each year, 2020 and 2021
- c. Alternate Method of Calculating Lost Revenues Attributable to Coronavirus
  - (1) Each individual cell in the alternative method – audit back to the narrative and underlying supporting documentation. (**Note:** The auditor is not responsible for determining the reasonableness of the alternative method described in the narrative.)

#### 4. Special Reporting for Federal Funding Accountability and Transparency Act

See Part 3.L for audit guidance.

#### IV. OTHER INFORMATION

**Note:** Since the Provider Relief Fund (PRF) amounts to be reported on a recipient’s Schedule of Expenditures of Federal Awards (SEFA) are based on the PRF report (see Other Information below), and the PRF report is to be tested as part of the Reporting compliance requirement, auditors should consider delaying the commencement of the compliance audit of the PRF program until recipients have completed the PRF report.

**Note:** In accordance with 2 CFR section 200.519, when the auditor is using the risk-based approach for determining major programs, the auditor should consider that the Department of Health and Human Services (HHS) has identified the Medical Assistance Program (Medicaid) as a program of higher risk.

##### 1. *Webpage Guidance*

Guidance documents accessed by links on the HHS.gov website such as those listed under “Availability of Other Program Information” are provided only to clarify the applicable laws, regulations, and terms and conditions of the award and do not create new compliance requirements. However, nonfederal entities in substantial compliance with

the guidance applicable in these guidance documents are considered in compliance with the underlying compliance requirements.

## 2. *Schedule of Expenditures of Federal Awards (SEFA) Reporting*

SEFA reporting amounts for this program (including both expenditures and lost revenues) are based upon the PRF report that is required to be submitted to the HRSA reporting portal (described in “L.3 Special Reporting;” <https://prfreporting.hrsa.gov/s/>) Therefore, it is first important to understand the HRSA PRF reporting requirements which are summarized in the following table.

	<b>Payment Received Period (Payments Exceeding \$10,000 in Aggregate Received)</b>	<b>Deadline to Use Funds</b>	<b>PRF Portal Reporting Time Period</b>	<b>Schedule of Expenditures for Federal Awards (SEFA) Reporting</b>
Period 1	April 10, 2020 to June 30, 2020	June 30, 2021	July 1, 2021 to September 30, 2021	Fiscal Year End (FYE) of June 30, 2021 through June 29, 2022
Period 2	July 1, 2020 to December 31, 2020	December 31, 2021	January 1, 2022 to March 31, 2022	FYE of December 31, 2021 through FYEs June 29, 2022
Period 3	January 1, 2021 to June 30, 2021	June 30, 2022	July 1, 2022 to September 30, 2022	Guidance will be included in 2022 Compliance Supplement
Period 4	July 1, 2021 to December 31, 2021	December 31, 2022	January 1, 2023 to March 31, 2023	Guidance will be included in 2022 Compliance Supplement

### **Summary of SEFA Reporting of PRF for Fiscal Year Ends (FYE) Covered by the 2021 Compliance Supplement**

For a FYE of June 30, 2021, and through FYEs of December 30, 2021, recipients should report in the SEFA, the expenditures and lost revenues from the **Period 1** PRF report.

For a FYE of December 31, 2021 and through FYEs of June 29, 2022, recipients should report in the SEFA, the expenditures and lost revenues from both the **Period 1** and **Period 2** PRF reports.

For FYEs on or after June 30, 2022, SEFA reporting guidance related to **Period 3** and **Period 4** will be provided in covered under the 2022 Compliance Supplement.

### **Summary of SEFA Reporting of PRF for FYEs Prior to June 30, 2021**

Due to delays in the launch of the PRF portal, the SEFA reporting guidance that appeared in the 2020 Compliance Supplement addendum is superseded by the following:

For FYEs on or before June 29, 2021, no PRF expenditures or lost revenues should be reported by recipients on the SEFA until the specified timeframe described in the reporting requirements summarized in the table above.

### 3. *Defining the Entity to be Audited*

The reporting entity required for PRF reporting purposes may not align to the reporting entity as defined for financial reporting purposes. It is important to note that the required PRF level of reporting has no bearing on the application of the requirements in 2 CFR 200.514 for defining the entity to be audited for single audit purposes. Thus, for single audits that include PRF, the Single Audit must cover the entire operations of the auditee, or, at the option of the auditee, such audit must include a series of audits that cover departments, agencies, and other organizational units that expended or otherwise administered federal awards during such audit period, provided that each such audit must encompass the financial statements and schedule of expenditures of federal awards for each such department, agency, and other organizational unit, which must be considered to be a nonfederal entity.

As a best practice, the recipients may wish to include a footnote disclosure on the SEFA to identify which providers by TIN are included in the audit.